

## Old Age, Disability, Death

First law: 1910.

Current laws: 1945, 1967, 1971, 1975, and 1980 (surviving spouse's allowance).

Type of program: Social insurance system; also mandatory private pension systems.

**Exchange rate:** U.S.\$1.00 equals 5.36 francs.

### Coverage

Employed persons. Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed. Voluntary affiliation for nonworking housewives (old-age pension only) and nonemployed persons caring for disabled family member. Compulsory old-age pension affiliation for women receiving family supplement. (See Family Allowances, below.)

### Source of Funds

**Insured person:** 6.55% of pensionable earnings (plus 0.1% of total earnings for surviving spouse's allowance).

General Social Contribution (CSG): An additional 1.1 percent of total income generally from all sources was introduced in 1991 and raised to 2.4 percent as of July 1993 (of which 1% is directed toward financing of family allowances).

**Employer:** 8.2% of payroll.

**Government:** None.

Maximum earnings for contribution and benefit purposes: 12,930 (13,060 as of July 1995) francs a month. (No ceiling for CSG.)

Disability and survivor benefits financed under sickness and maternity program (see below).

### Qualifying Conditions

**Old-age pension:** Age 65 (or 60 and disabled, or working mother) and 150 quarters of coverage for a full pension—equal to 50% of covered earnings. If less than 150 quarters of coverage, pension is subject to proportionate reduction (i.e. reduced by 1/150 for each quarter of shortfall). Full pension also payable at age 60 if 152 quarters of coverage.

Coverage requirement is being raised each year, scheduled to reach 160 quarters by January 1, 2003 for retirees born in 1942 and after. If less than 152 quarters, subject to pension reduction in addition to proportionate reduction. Additional reduction is function of quarters below 152 and months below age 65. (Maximum additional reduction: 25 percentage points).

Benefits are payable abroad under reciprocal agreements.

**Disability pension:** Under age 60. Loss of all working capacity (total disability), or 2/3 of earning capacity (partial disability), in any occupation. Entry into insurance 12 months before incapacity and 800 hours of employment in last 12 months, including 200 hours in first 3 months of 12-month period.

**Survivor pension:** Deceased met insurance requirements for old-age or disability pension or was pensioner at death.

Surviving spouse's allowance: Deceased was contributor to program or, in certain cases, was receiving other social security benefits at death.

## Old-Age Benefits

**Old-age pension:** 50% of average earnings in 10 highest years after 1947, revalued for changes in cost of living.

For those born in 1934, the number of years for which earnings are averaged have been raised to 11 and the number of years will continue to be raised each year for those born in subsequent years until 2008 when those born in 1948, upon retirement, will have earnings averaged over 25 years.

Minimum pension: (before reduction for age or coverage gaps), 37,136 francs; maximum, 77,580 francs a year.

Minimum: 16,010 francs a year if 60 quarters; otherwise, proportionately reduced.

Spouse's supplement (income-tested): 4,000 francs a year at age 65 (aged 60-64 if disabled) if insured had 150 quarters of coverage; otherwise, proportionately reduced. Child's supplement: 10% of pension if insured reared 3 children.

Old-age allowance (*solidarity*): 22,256 francs a year to low income pensioners if single (36,522 francs for married couple).

Means-tested allowance: 16,527 francs a year to low-income aged workers ineligible for pension.

Constant attendance allowance: 16,527 francs a year.

Adjustment: Automatic semiannual adjustment of pensions for changes in cost of living.

### Permanent Disability Benefits

**Disability pension:** 50% of average earnings in highest paid 10 years, if totally disabled.

Minimum pension: 16,527 francs a year (reduced during hospitalization if fewer than 2 dependent children).

Maximum pension: 77,580 francs a year.

Constant-attendance supplement: 40% of pension for total disability; minimum supplement, 64,737 francs a year. (Supplement suspended after 45th day of hospitalization.)

Partial disability: 30% of earnings, up to maximum of 46,548 francs a year.

Disability allowance (*solidarity*): 16,010 francs a year to low-income pensioners.

Means-tested allowance: 16,010 francs a year to low-income disabled workers, if ineligible for pension.

Adjustment: Same as for old-age benefit.

### Survivor Benefits

**Survivor pension** (income-tested unless disabled): 52% of insured's pension payable at age 55 to widow (age 50 if widow has a child), divorced or deserted wife, or widower; at any age if disabled. Two years' marriage at spouse's death or disappearance unless at least 1 child from marriage. Pension proportionately divided if more than 1 qualified surviving spouse.

Minimum pension: 16,010 francs a year.

Child's supplement: 10% if surviving spouse gave birth to or raised 3 children.

Adjustment: Automatic semiannual adjustment of pensions for changes in cost of living.

Surviving spouse's allowance (income-tested): Payable up to 3 years following death of insured. Amount equals 2,962 francs amonth during 1st year, 1,946 francs during 2nd year and,

1,482 francs during 3rd year. Recipient must be under age 55, not remarried or cohabiting, resident in France, and must have given birth to or reared at least 1 child.

Death grant: 90 days' earnings of deceased.

Minimum: 1,552 francs; maximum, 38,790 francs.

### Administrative Organization

Ministry of Social Affairs and Employment, general supervision and issuance of regulations.

National Old-Age Pension Insurance Fund, administration of old-age pensions and surviving spouse's allowances.

National Sickness Insurance Fund, administration of disability and survivor pensions.

Contributions collected by joint collection agencies.

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## Sickness and Maternity

First law: 1928.

Current laws: 1945, 1967, 1971, 1974, and 1978.

Type of program: Social insurance system.

### Coverage

Employed persons (general system covering about 72% of employees). Pensioners and some groups of nonearners also covered for medical benefits.

Special systems for agricultural, clergy, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed (medical benefits provided under general system for some groups).

Voluntary affiliation for residents not working in covered employment.

### Source of Funds

**Insured person:** 6.8% of total earnings; old-age pensioners (low-income pensioners exempt), 1.4% of old-age pension and 2.4% of private pension; unemployed, 2% of guaranteed minimum income for unemployed; 1% of unemployment benefits and training allowances.

Voluntary insurance (low-income insured exempt), varying percentages of net taxable income; flat-rate contributions for students, young persons, and others not covered otherwise.

**Employer:** 12.80% of total payroll.

**Government:** Proceeds from 12% surcharge on automobile insurance premiums plus proceeds from tax on costs of pharmaceutical advertising, alcohol, and tobacco; also funds for new hospital construction and part of cost for certain health and social services.

Above contributions also finance disability and survivor benefits.

### Qualifying Conditions

**Cash sickness and maternity benefits:** 200 hours of paid employment in the last 3 months.

**Medical benefits:** 60 hours paid employment in the last 30 days with contributions paid on wages amounting to at least 60 times the minimum wage, or 120 hours of employment in the last 90 days with contributions on an amount equal to 120 times the minimum wage.

### Sickness and Maternity Benefits

**Sickness benefit:** 50% of covered earnings (minimum, 45 francs a day (no minimum during first 6 months of benefit); maximum, 216 francs a day) rising to 66 2/3% (minimum, 60 francs a day; maximum, 287 francs a day) after 30 days if 3 or more children. Payable after 3-day waiting period for up to 12 months; extended up to 3 years if chronic or prolonged illness and special qualifying conditions met.

**Maternity benefit:** 1st and 2nd child, 84% of basic daily wage, payable for 6 weeks before and 10 weeks after confinement; 3rd and subsequent children, 8 weeks before and 18 weeks after confinement.

Payable additional 2 weeks before confinement if complications; 12-24 weeks before, and 22 weeks after, if multiple births.

Minimum: 45 francs a day; maximum, 362 francs a day.

Benefits payable in cases of live births or adoption.

Nursing benefit: Monthly allowance for nursing mother, or milk coupon (payable for 4 months).

### Workers' Medical Benefits

**Medical benefits:** Cash refunds of part of medical expenses.

Includes general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation.

Insured normally pays for services, and is reimbursed by local sickness fund for 70% of amounts provided for such services in negotiated and approved fee schedules (reimbursement rate for some services vary from 30-100% and actual reimbursement in absence of agreed schedule with provider is generally below 70%).

Insured pays 55 francs a day for hospitalization *room and board* charges (disabled children, war, and work accident victims exempt).

Duration: No limit.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for insured person.

Following death of insured, medical benefits payable for 1 year or until youngest child's third birthday.

### Administrative Organization

Ministry of Social Affairs and Employment, general supervision.

National Sickness Insurance Fund, coordination of regional funds and financial equalization; bipartite governing body.

Regional Sickness Insurance Funds, coordination of local funds; bipartite governing bodies.

Primary (local) Sickness Insurance Funds, registration of insured, payment of cash benefits, and refunds of medical expenses; bipartite governing bodies.

Contributions collected by joint collection agencies.

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## Work Injury

First law: 1898.

Current laws: 1946 and 1972 (agriculture).

Type of program: Social insurance system.

## Coverage

Employed persons (general system covering about 72% of employees), vocational education students, and certain nonpaid members of social service organizations.

Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed.

Exclusion: Self-employed artisans and professionals (covered under sickness insurance program).

## Source of Funds

**Insured person:** None.

**Employer:** Whole cost, through contributions varying with risk. Average, 3.73% of total payroll.

**Government:** None.

## Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

## Temporary Disability Benefits

**Temporary disability benefit:** During first 28 days, 60% of earnings; maximum, 776 francs a day. Thereafter, 80%; maximum, 1,035 francs a day.

Payable from day following incapacity for work.

## Permanent Disability Benefits

**Permanent disability pension:** 100% of average earnings during last 12 months, if totally disabled, with minimum and maximum established by formula.

Constant-attendance supplement: 40% of pension; minimum, 64,737 francs a year.

Partial disability: Average earnings multiplied by 1/2 the percentage of incapacity for the portion of disability between 10% and 50%, and by 1-1/2 the percentage of incapacity for the portion above 50%. Lump sum payable if less than 10% incapacity.

## Workers' Medical Benefits

**Medical benefits:** All necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, rehabilitation, and transportation. Services paid for directly by fund, with no cost sharing by patient.

## Survivor Benefits

**Survivor pension:** 30% of earnings of insured if under age 55, or 50% if age 55 or disabled. Payable to widow or widower.

Orphans: 15% of earnings for each of first 2 children under age 16 (17 if unemployed, 18 if apprentice, 20 if student or disabled), 10% for each additional child; or 20% each if full orphan.

Other dependent relatives: 10% of earnings each, up to maximum of 30%.

Maximum survivor pensions: 85% of earnings of insured.

Funeral grant: Cost of burial up to 6,465 francs.

## Administrative Organization

Ministry of Social Affairs and Employment, general supervision.

National Sickness Insurance Fund, administration of program at national level.

Primary Sickness Insurance Funds, payment of benefits.

Contributions collected by joint collection agencies.

## Unemployment

First law: 1905.

Current laws: 1967 (legal extension of 1958 labor-management agreement on unemployment insurance), 1972 (guaranteed income for unemployed aged 60 and over), 1974 (agriculture), and 1984.

Type of program: Dual compulsory employee-employer and government-funded system.

## Coverage

Unemployment insurance: Employed persons.

Exclusion: Domestic and seasonal workers.

Special systems for building and dock workers, merchant seamen, and aviators.

Solidarity program (means-tested): Young job seekers; recently widowed, divorced, separated, or single women with 1 or more children; recently discharged military veterans; prisoners; apprentices; long-term unemployed having exhausted unemployment insurance.

## Source of Funds

**Insured person:** 2.42% of monthly earnings up to 12,610 francs, and 2.97% of earnings between 12,610 francs and 55,440 francs.

**Employer:** 4.18% of payroll.

**Government:** Whole cost of solidarity program.

Maximum earnings for contribution and benefit purposes: 620,640 francs a year.

(Supplementary contributions by employer and employee for supervisory personnel.)

## Qualifying Conditions

**Unemployment benefit:** Under age 60 (or between 60 and 65 without enough quarters of coverage to qualify for a full old-age pension), with at least 91 days or 520 hours of paid employment in the preceding 12 months. Registered at employment office, capable of and available for work. Unemployment not due to voluntary leaving, misconduct, or refusal of suitable job offer.

Flat-rate allowances: Various categories of workers age 16 and over who have been unemployed 6-12 months.

## Unemployment Benefits

**Unemployment benefit:** The following benefits are payable up to 60 months under the following conditions:

The initial benefit equals 57.4% of the daily reference wage, for a period (4-27 months) that varies according to age and length of covered employment. An additional period of reduced benefits may follow which also varies in length according to age and work history. The benefit is further reduced every 4 months. The duration of benefits can not exceed 60 months from inception.

Solidarity benefit: From 74 to 104 francs a day, depending on age, years of coverage, or family situation.

### Administrative Organization

Ministry of Health and Social Security, general supervision.  
Employment organizations (UNEDIC-ASEDIC) with bipartite (management-labor) governing bodies, administration of unemployment insurance and payment of unemployment insurance benefits.

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## Family Allowances

First law: 1932.

Current laws: 1946 as amended through 1994.

Type of program: Universal system.

### Coverage

**Family allowances:** Families with 2 or more children.

Family supplement: Resident families with 1 or more children.

Prenatal allowance and birth grant: Resident mothers.

Guaranteed minimum family income: Resident families with 3 or more dependent children.

Minimum integration income: Legal resident (3 years for foreigners) age 25 or older (under age 25 if student or parent of 1 or more dependent children) whose resources are under the minimum wage and who agrees to follow social or professional reintegration program.

Special systems for agricultural, railroad, and public utility employees.

### Source of Funds

Insured person: None, (except 1% of income under CSG—see Source of Funds under Old Age, below). Self-employed pay 7% of total earnings).

**Employer:** 5.4% of payroll but low earnings are partially or totally exempt.

**Government:** None.

### Qualifying Conditions

**Family allowances:** At least 2 children; must be under age 18, age 20 if apprentice, student, disabled, or girl working at home.

Young child allowance: Under age 3. Income-tested. Prescribed medical examination.

Family supplement: 3 or more children over age 3.

Guaranteed minimum family income: At least 3 dependent children.

Single parent allowance (income-tested): Single person caring for 1 or more children.

Parental education allowance: Parent who stops work to raise 2nd or subsequent child; employed 24 months during last 5 or 10 years preceding birth or adoption.

Child care benefit: Children under age 3, if parents are working and pay for home child care.

### Family Allowance Benefits

**Family allowances:** 665 francs for each of first 2 children; 852 francs for subsequent children. Additional 187 francs for child

between 10 and 15, 333 francs for children over 15 (except for the first in a 2-child family).

Family supplement (income-tested): 866 francs a month.

Young child allowance: 995 francs per family.

Single parent allowance: 3,118 francs per month during pregnancy; 4,157 francs for one child and 1,039 for each additional child.

Parents education allowance (for upbringing): 2,964 francs.

Guaranteed minimum family income: Varies with family income and number of children.

Family support allowance: 468 francs a month per orphan (or to single parent or guardian), or 624 francs if full orphan.

### Administrative Organization

Ministry of Social Affairs and Solidarity, general supervision.

National Family Allowances Fund, coordination of funds and financial equalization; bipartite governing body.

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